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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 015960

2004 FEB 26 AM 8:51

MORRIS W. WEAVER
RECORDER

Real Estate Retention Agreement
Home Savings Program
Grant Award
(Owner-Occupied)

For purposes of this Agreement, the following terms shall have the meanings set forth below:

"FHLBI" shall refer to the Federal Home Loan Bank of Indianapolis

"Member" shall refer to Lake Federal Savings and Loan Association of Hammond
(FHLBI's member institution)

"Borrower(s)" shall refer to Gerald R. Skrabala, Jr.

For and in consideration of receiving direct subsidy funds (the "Subsidy") under the Affordable Housing Program ("AHP") of the FHLBI through the Member, with respect to that certain real property located at _____, in the city/town of _____, County of _____, State of _____, which is more fully described as follows:

See "EXHIBIT A" attached hereto and made a part hererof

Borrower(s), their successors, heirs and assigns hereby agree that they shall maintain ownership and reside in this property as their primary residence for a period of five (5) years ("Retention Period") from the date of the recording of this instrument and further agrees with the Member that:

- (i) The FHLBI, whose mailing address is P.O. Box 60, Indianapolis, Indiana 46206, Attention: Community Investment Division, is to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the Retention Period;
- (ii) In the case of a sale prior to the end of the Retention Period, an amount equal to a pro rata share calculated by FHLBI on a per diem basis, of the direct Subsidy that financed the purchase, construction, or rehabilitation of this property reduced for every year the Borrower/Seller owned the property, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the sale of the property after deduction for sales expenses, unless the purchaser is a low- or moderate-income household which is defined as having not more than 80% of the area median income where such income targeting was committed to in the AHP application receiving the AHP grant award;
- (iii) In the case of a refinancing prior to the end of the Retention Period, an amount equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of the property, reduced for every year the Borrower has owned the property, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the refinancing, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), (iii) and (iv) contained herein; and

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- (iv) The obligation to repay the Subsidy to the Member shall terminate after any foreclosure. Otherwise, the covenants contained herein shall continue until released by the Member in writing or the expiration of the Retention Period, whichever should first occur.

IN WITNESS WHEREOF, the Borrower(s) and the Member, by its duly authorized representative, have executed this Agreement as of this 23rd day of 2003 .

Witness: _____ Borrower: Gerald R. Skrabela, Jr.

Witness: _____ Borrower: _____

Witness: _____ Borrower: _____

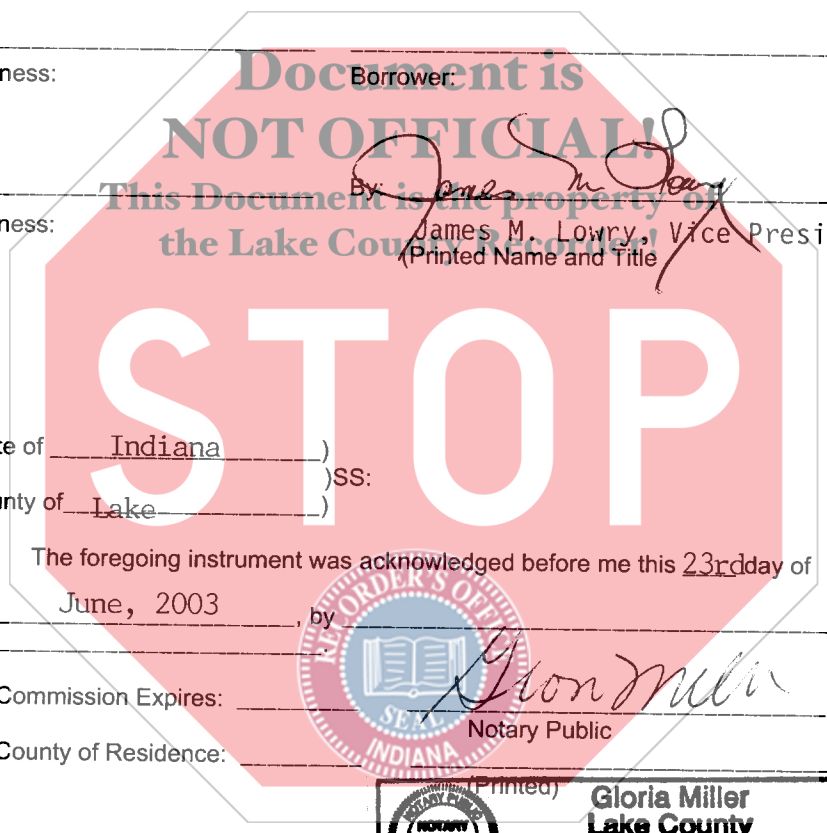
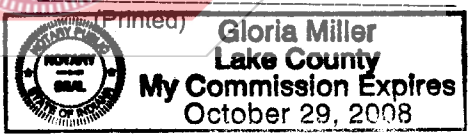
Witness: _____ By: James M. Lowry, Vice President
(Printed Name and Title)

State of Indiana)
County of Lake) SS:

The foregoing instrument was acknowledged before me this 23rd day of June, 2003, by _____

My Commission Expires: _____ Notary Public

My County of Residence: _____ (Printed)



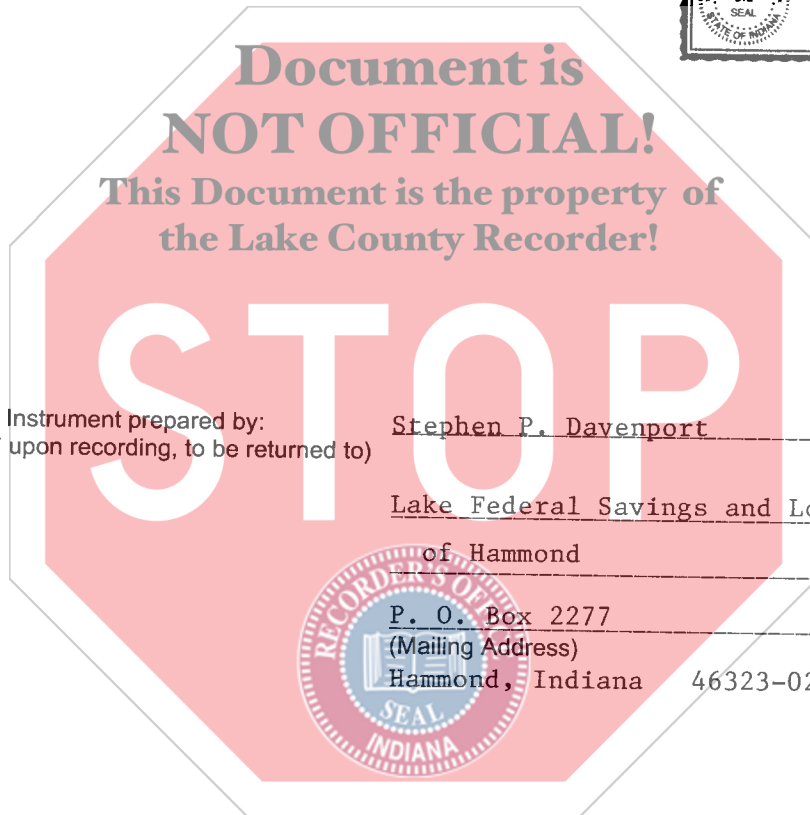
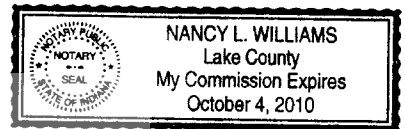
State of Indiana)
County of Lake)SS:

The foregoing instrument was acknowledged before me this 18th day of June, 2003, by James M. Lowry, the Vice President of Lake Federal Savings and Loan Association of Hammond (Member) for and on behalf of such organization.

My Commission Expires: 10-04-2010

Nancy L. Williams
Notary Public
Nancy L. Williams
(Printed)

My County of Residence: Lake



This Instrument prepared by: Stephen P. Davenport
(and upon recording, to be returned to)

Lake Federal Savings and Loan Association
of Hammond

P. O. Box 2277
(Mailing Address)
Hammond, Indiana 46323-0277

No: 920034356

LEGAL DESCRIPTION

Lot 66 in Forest View Farms - Phase One, an Addition to the City of Crown Point, as per plat thereof, recorded in Plat Book 91 page 14, in the Office of the Recorder of Lake County, Indiana.

